



# STEWARD PARTNERS INVESTMENT SOLUTIONS

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March 31, 2022

## FORM ADV PART 2A BROCHURE

This Brochure provides information about the qualifications and business practices of Steward Partners Investment Solutions, LLC (“Advisor,” “Firm,” “we,” or “SPIS”). If you have any questions about the contents of this Brochure, please contact us at 800-452-1929. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Advisor is a Registered Investment Advisor with the SEC. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Steward Partners Investment Solutions, LLC (CRD No. 1245) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This Firm Brochure is available at no cost by contacting Steven Chang, Chief Compliance Officer 800-452-1929 | [info@stewardpartnersis.com](mailto:info@stewardpartnersis.com)

## Item 2 – Material Changes

The date of our previous annual update to our brochure was March 31, 2021.

Since that date we have revised our disclosure materials to reflect the following changes. We recommend you closely review each revised section.

- Change in control of Umpqua Investments, Inc.
- The Firm's name changed to Steward Partners Investment Solutions LLC
- The Firm's Main Operations Office Location was updated
- Addition of Folio Investments, Inc., A Goldman Sachs Company, as custodian, trading, and advisory platform
- Changes to Item 4: Changed section title Investment Management Services to Investment Advisory Services and Wrap Fee Programs
- Addition to Item 4: Recommending Third-Party Money Managers, Financial Planning Services, Wrap Fee Programs and Fiduciary Responsibility for Retirement Accounts, Working with Your Advisor
- Changes to Item 5: Investment Advisory Service fees, Fee Payments through the Custodian and Other Fees and Expenses, Other Compensation Considerations
- Addition to Item 5: Billing on Cash Balances, Third Party Money Managers Fees, Financial Planning Fees, SPIS Platform Fees, Cash Sweep Program, Free Credit Balance in Margin Accounts and Financial Advisor Loans
- Changes to Item 12- Advisor Directed Brokerage
- Updates to Item 15 – Custody

We will ensure that all current clients receive a summary of material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We will continue to provide other ongoing disclosure information about material changes as necessary and will provide you with a new brochure when required based on those changes or new information.

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## **Item 4 – Advisory Business**

### **Firm History**

Steward Partners Investment Solutions, LLC (“SPIS”) was established in Portland, Oregon in 1928 as a Broker-Dealer under the original name of Blankenship, Gould, and Keeler. After being acquired in 1999, we operated as Umpqua Investments, Inc. In 2006, we became registered with the Securities and Exchange Commission (the “SEC”) as a Registered Investment Advisor. In 2021, we became a wholly owned subsidiary of Steward Partners Holdings, LLC and changed our name to Steward Partners Investment Solutions, LLC.

### **Investment Advisory Services**

SPIS provides investment management services to individuals and businesses. This advice can include investment management services (including investment advice, portfolio checkups, retirement planning (for employees and employers), and/or estate planning strategies.

We help clients coordinate and prioritize their financial lives with all aspects of their life goals. Integrating investments across individual retirement accounts, taxable accounts, and employee retirement accounts is crucial to the process. Client input and involvement are critical parts of the financial planning process and implementation of investment decisions. After Client assets are invested, we continuously monitor their investments and provide advice related to ongoing financial and investment needs.

Client funds are managed with either discretionary or non-discretionary authority. For non-discretionary clients we must first obtain your approval prior to executing any transactions in your account(s). Client funds we manage using our proprietary traditional asset allocation models are managed on a discretionary basis. For discretionary clients we execute investment recommendations on their behalf without prior approval of each specific transaction.

We tailor our advice and services to our clients’ stated objectives. To formulate our clients’ investment strategies, we consider information such as risk tolerance, time horizon, and projected future needs. This investment strategy guides us in managing the client’s account. We connect with our clients on an as needed basis, but no less than annually, to review portfolio performance, discuss current issues, and re-assess their goals and plans.

Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. Investment tools include mutual funds, exchange-traded funds, exchange-listed equity securities, alternative investments, municipal securities, corporate bonds, U.S. government securities and money market funds. We may also advise our clients on other types of investments. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

### **Investment Advisory Programs**

#### Custodian - Folio Investments, Inc., A Goldman Sachs Company (“Folio”)

- Steward Partners Advisory Program

The *Steward Partners Advisory Program* is an investment advisory account offered and administered by SPIS. Your Investment Advisory Representative (“IAR”) will manage your account on a discretionary or nondiscretionary basis according to your investment objective. This account offers you the ability to pay an asset based advisory fee which includes transaction costs within the advisory fee in lieu of a commission for each transaction. SPIS receives a portion of the fee. There is a minimum investment of \$25,000 for Steward Partners Advisory Program Accounts, although smaller accounts may be accepted based upon the specific

circumstances of an account. The advisory fees for *Steward Partners Advisory Program* are disclosed below at Item 5.

- Steward Partners UMA Program

The *Steward Partners UMA Program* is an investment advisory account which, allows you to allocate your assets through discretionary mutual fund or ETF management, based upon your financial objectives and risk tolerances. Additionally, your assets may be invested through unaffiliated investment advisers ("Manager") registered with the SEC with which SPIS has entered into a sub-advisory agreement. There is a minimum investment of \$25,000 for *Steward Partners UMA Program* accounts. Your IAR receives a portion of the fee for services provided under the agreement.

Custodian - Wells Fargo Clearing Services ("FCC")

- Custom Choice Program

The *Custom Choice Program* is a non-discretionary account where your IAR will recommend an appropriate mix of mutual funds from a universe of available funds ("Custom Choice Funds"). You have the option of accepting the IAR's recommendations or selecting alternate investments. The IAR will not presume your acceptance of any non-discretionary recommendation by your silence.

- Asset Advisor Program

The *Asset Advisor Program* is a non-discretionary account where your IAR will recommend securities using research and analysis our Firm reasonably deems to be reliable. You have the option of accepting the IAR's recommendations or selecting alternate investments. The IAR will not presume your acceptance of any non-discretionary recommendation by your silence.

- Private Investment Management (PIM) Program

The *Private Investment Management (PIM) Program* is a discretionary account where the IAR will serve as portfolio manager, handling the day-to-day investment management of your investment advisory account. Your IAR will be primarily responsible for making investment decisions for your account within the guidelines established by the Firm. Discretionary authority grants your IAR complete discretion in the investment and reinvestment of your account assets, including all matters necessary or incidental thereto, without the need to discuss such transactions or actions with you in advance.

For more details around these programs, please refer to each program's *Program Features and Fee Schedule* document.

## **Recommending Third-Party Money Managers ("Money Managers")**

SPIS may recommend Money Managers for the management of your accounts. Money Managers selection is guided by your stated objectives (i.e., capital appreciation, growth, income, or growth and income), as well as tax considerations. Investments are made in conventional categories including stocks, bonds, and cash. You may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. In managing your investment portfolio, we consider your financial situation, risk tolerance, investment horizon, liquidity needs, tax considerations, investment objectives, and any other issues important to your financial affairs. You should notify us promptly if there are any changes in your financial situation, investment objectives, or restrictions upon the management of your account.

The Money Managers recommended by SPIS are chosen for their unique approach in building portfolios that are designed to mitigate downside risk, offer consistency over time, and offer values-based options as well when applicable. Assets may be managed through a model portfolio that is applied universally to all accounts invested in the model (the "Investment Strategies"). The Money Manager will oversee the Investment Strategies on a

discretionary basis, which means they will purchase and sell securities for your account(s) without first consulting with or obtaining specific authorization from you or your IAR. The Money Manager manages the Investment Strategies in accordance with its stated investment objectives, not according to the client's investment goals. The Money Manager will monitor the Investment Strategies on an ongoing basis. Money Managers may have minimum account balance requirements to invest in the Investment Strategies.

When working with a Money Manager, SPIS will be responsible for determining the suitability of the investment strategies to be provided by the Money Manager and assisting you in determining which Money Manager services are appropriate based on your specific investment goals and objectives, now and in the future. SPIS will monitor performance and are available to discuss the selected Money Manager's strategy and/or performance. Clients recommended for these programs will receive complete program descriptions, including services, fees, payment structures, and termination features, all of which are found in the respective disclosure brochures, investment advisory agreements, and account opening documents, as well as related solicitor disclosure notices.

### **Financial Planning Services**

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **Wrap Fee Programs**

A wrap fee account is an account in which SPIS manages your portfolio for an annual fee, billed quarterly, that is inclusive of administrative, commission, and advisory fees. SPIS receives a portion of this wrap fee for its advisory and other services. This wrap fee arrangement contrasts with brokerage accounts where SPIS buys, sells, or otherwise executes securities transactions in which you may be charged a commission for each transaction.

Currently, Wells Fargo Clearing Services, LLC ("FCC") and Folio Investments, Inc., A Goldman Sachs Company ("Folio") (the "Custodians"), do not charge transactional fees in advisory accounts, but this may change in the future. An IAR may recommend a wrap fee program sponsored by the Custodians. Further details will be made available to you in the Program Documents.

### **IMPORTANT DISCLOSURES regarding the selection of brokerage versus advisory accounts.**

You may notice differences between the information contained in this brochure and in the individual Program Agreements. Such differences may arise when, for example, changes to the Program Agreement were separately negotiated with you or were required by your IAR when offering the Program to you. Differences may also arise due to changes in our Programs or our policies, or because of intervening events. Where there are differences

that may exist, now or later, the terms of the Investment Advisory Agreement will control (which may also be amended.) SPIS will notify Clients of any pending changes to their Program Agreement prior to any change implementations.

### **Differences between how investment advisory accounts are managed as compared to other commission-based brokerage accounts**

The Firm's (and the Representatives') legal, contractual, and regulatory obligations differ in important ways, depending on the type of account(s) you have with us (brokerage or investment advisory), and the products or services we provide. Investment advisory accounts and services are governed by laws and regulations which are, in many ways, different from those that govern brokerage accounts and services.

When acting as an investment advisor, SPIS is a fiduciary for its Client. As a fiduciary, the Firm must, among other duties, act in your best interests, place your interests ahead of our own, and make full and fair disclosure of all material facts, particularly conflicts of interest.

When acting as a broker-dealer for non-ERISA accounts, SPIS must observe high standards of commercial honor, just and equitable principles of trade, and must have reasonable grounds for believing its recommendations are suitable and in the best interest for you, among other duties. However, our obligation to disclose to brokerage customers information about our business, conflicts of interest, compensation, and other matters is more limited than our corresponding obligations to our advisory Clients.

Clients are encouraged to contact SPIS's Chief Compliance Officer at the address and telephone number shown in this Brochure to discuss any questions about which products or services SPIS provides in each of these capacities.

### **Fiduciary Responsibility for Retirement Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interests, fees and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Working with Your Advisor**

Your Advisor can offer both investment advisory services and products and brokerage services and products. There are important considerations when selecting the services and products best suited to your investment needs and goals.

Advisory Relationship - As a federally registered investment advisor, we and our Advisors are fiduciaries to you. This means that we and your Advisor must act solely in your best interest while providing investment



advisory services and products. Fees we charge for investment advisory services and products are either hourly or asset based as described in this Brochure.

**Brokerage Relationship** - As a broker-dealer, we and our financial professionals must ensure that the brokerage products and services we recommend are in your best interest based on your stated investment objective, risk tolerance, tax status and other personal financial information you provide. Generally, you will pay commissions to purchase and sell brokerage products.

### **Factors to Consider When Deciding Between Investment Advisory and Brokerage Relationship:**

Advisory Relationship clients:

- Seek ongoing advice and monitoring on your account.
- Prefer to pay ongoing fees based on assets under management rather than based on the number of transactions.
- Seek a fiduciary relationship with an Advisor who must act in your best interest.
- Periodic portfolio rebalancing.

Brokerage Relationship clients:

- Seek advice only on individual transactions with no ongoing monitoring of your investments.
- Prefer commission-based compensation paid on a per transaction basis.
- Seek a relationship with a financial professional who must make recommendations in your best interest.

### **Assets Under Management**

Advisor's Assets (rounded to the nearest thousand) under Management ("AUM") on December 31, 2021:

Discretionary Accounts	\$728,055,000
Non-Discretionary Accounts	\$148,801,000
Total AUM	\$876,856,000

## **Item 5 – Fees and Compensation**

***All advisory fees and household minimums are subject to negotiation.*** SPIS may offer discounted rates to its employees and their families as well as to institutional and ultra, high-net-worth clients with substantial account balances.

### **Investment Advisory Service Fees**

"Flat" Advisory Fees describe fees that an account will be charged at one rate, which will be the fee rate associated with the client's total assets under management. Clients may negotiate a discount on the flat advisory fee.

"Blended or Tiered" Advisory Fees will be charged at the rate defined for each tier, and then the total dollar amount of the fee calculated for each tier will be added together to equal the total fee due to SPIS.

Both the description of services offered and the specific manner in which flat, blended or tiered fees are charged by SPIS are established in the client's written Investment Advisory Program Agreement. SPIS will, under most circumstances, bill its annual Advisory Fees on a quarterly basis, in advance, based on the total value of the client's account on the last trading day of the previous calendar quarter. If the Investment Advisory Program Agreement is executed at any time other than the first day of a calendar quarter, SPIS Advisory Fees will be



applied on a pro rata basis for that calendar quarter, which means that the Advisory Fee is payable in proportion to the number of days in the calendar quarter for which one is a client.

You may terminate the advisory relationship at any point in time. Fees will be prorated to the date of termination. The standard fee schedule varies for each program offered.

You pay an annual asset-based advisory fee (the "Fee"), charged quarterly in advance, based upon the last calendar day of the preceding quarter, which covers the services provided by SPIS. No fee adjustment will be made during any quarter for appreciation or depreciation in asset value during that current period, nor shall any adjustment or refund be made with respect to partial additions or withdrawals during that current period. We in our sole discretion, take any action it considers fair and reasonable with respect to the application of fee adjustments based upon its review of the timing and amounts of deposits to and withdrawals from your account. You will agree with SPIS on the amount of the Fee that you pay for the services set forth in the Investment Advisory Program Agreement. SPIS will provide you with a written confirmation reflecting the Fee that you have agreed to pay SPIS, and where applicable for your Program, Managers and other third party or affiliated service providers for the services they will provide pursuant to the Program that you have selected. In some Programs, you will also pay a fee, charged quarterly, that covers the services provided by a Manager. Please see the applicable Brochure for information regarding the Fee, including the Fee schedules and costs that are not included in the Fee that may impact your account. The total Annual Fee (including any Manager fees, Asset Based Advisory Fee, Administrative Platform fee) will not exceed 2.50% of assets under management on an annualized basis. Our fees may change upon reasonable notice to you. We may lower our fees upon verbal or written notice to you and raise our fees only upon written notice to you.

### **Billing on Cash Balances**

SPIS may maintain cash and cash equivalent positions (such as money market funds or certificates of deposit) for defensive and liquidity purposes or for dollar cost averaging. SPIS will assess advisory fees on cash sweep balances ("cash") held. SPIS will determine the Account Value as of the last business day of the quarter (the "valuation date"). SPIS will bill on the cash balance if warranted based on the investment strategy.

You should understand that the portion of the account held in cash will experience negative performance if the applicable advisory fee charged is higher than the return received on the cash sweep balance.

For Discretionary accounts, cash balances may pose a financial disincentive to an IAR as the portion of the cash balances may be excluded from the asset-based fee charged to the account. This may cause an IAR to reallocate your account from cash to advisory fee eligible investments, including money market funds, or to recommend against raising cash, in order to avoid the application of this provision and therefore receive a fee on the full account value. However, clients that have delegated investment discretion to their IAR may direct the IAR to raise cash by selling investments or hold a predetermined percentage of their account in cash at any time.

Cash balances are expected to be a small percentage of the overall account value in Money Manager managed accounts.

You should periodically re-evaluate whether their maintenance of a cash balance is appropriate in light of their financial situation and investment goals and should understand that this cash may be held outside of your advisory account and not subject to advisory fees.

### **Third Party Money Manager Fees**

Clients that have a third-party Money Manager ("Money Manager") engaged to manage client assets will be charged a Money Manager advisory fee in addition to the SPIS asset based advisory fee. The fee charged to the

client and the payment cycle for collection of the advisory fee is determined by the Money Manager recommended by SPIS and selected by the client. All fees due and payable will be disclosed in a tri-party investment advisory agreement between the Money Manager, the client and SPIS.

Money Managers can be accessed on either the Wells Fargo Clearing Services, LLC (“FCC”) or Folio Investments, Inc., A Goldman Sachs Company (“Folio”) Platforms. For clients who invest with Money Managers, the fee will range from 0-1.75% per annum. Money Manager fees are calculated and deducted from your account as stated in the Program Agreement.

### **Financial Planning Fees**

Financial planning fees are negotiable or may be offered as a courtesy through your IAR. Fees may be charged for these services and will be dependent upon the anticipated time to provide the services and complexity of the plan and/or your financial situation. The fees are determined in advance and disclosed to you.

It is important to note that we may provide investment product or securities recommendations as part of financial planning services or hourly consulting services. This may present a conflict to the extent that your IAR receives compensation from implementation of such recommendations. Also, compensation to your IAR and SPIS may vary depending on the product or service your IAR recommends.

You should also understand that your IAR may perform advisory services for various other clients and may give advice or take actions for those other clients that differ from the advice given to you. Also, the timing or nature of any action taken for your account may be different. You should note that similar advisory services may be available from other registered investment advisers for similar or lower fees.

You may terminate the advisory agreement upon 30 days written notice to our firm. If you were charged fees in arrears, you will be responsible for a prorated fee based on services performed. If fees are paid in advance, you may be entitled to a refund of unearned fees.

### **SPIS Platform Fee**

SPIS utilizes the services of subadvisor platforms that offer access to Money Managers as well as assist your IAR in the management of your accounts. The platform fee is equal to 0.075% per annum and may be included in your annual fee. Depending on which Program you choose, your IAR will receive more compensation if they do not use this subadvisor platform.

### **Wrap Fee Program Fees**

SPIS manages your portfolio for a quarterly fee. If the client participates in an investment advisory wrap program sponsored by either Custodian, this wrap fee covers all platform fees, trading fees, commissions, and advisory fees. In non-wrap accounts, the SPIS platform fee doesn’t include trading fees or commissions which are charged by the Custodian. Client Accounts may be charged separately for expenses or services that are not covered by the wrap fee program, if applicable. In non-wrap accounts, the advisory fee does not include trading fees or commissions which may be charged by the Custodian.

You can invest in a mutual fund without the services of the IAR. You should review both the fees charged by the mutual funds, Money Manager fee, and the advisory fee charged by your IAR to fully understand the total amount of fees you will pay for the advisory services being provided.

### **Fee Payments through the Custodian**

At the inception of the relationship and each quarter thereafter, we will notify your Custodian of the amount of the fee due and payable to us through our fee schedule and contract. They will “deduct” the fees from your account(s) you have designated to pay our advisory fees. Each month, you will receive a statement directly from your Custodian showing all transactions, positions, and credits/debits into or from your account; the statements after the quarter end will reflect these transactions, including the advisory fee paid by you to us. You should carefully review your statements for accuracy and notify us immediately with any questions or concerns.

Advisory fees are not inclusive of brokerage commissions, transactions fees and other related costs and expenses which shall typically be incurred in your account(s). Your accounts are held with Wells Fargo Clearing Services, LLC (“FCC”) and/or Folio Investments, Inc., A Goldman Sachs Company (“Folio”) (collectively the “Custodians”), registered broker-dealers, members of SIPC. The Custodians have historically not been charging a transaction fee for the sale or purchase of stocks or exchange traded funds. However, there may be a transaction fee for the sale and purchase of mutual funds. There is no guarantee that this arrangement will be permanent.

### **Additional Expenses Not Included in the Annual Fee**

We do not custody client assets; therefore, you will have to custody your accounts with a Custodian. The advisory fees payable to us do not include all the fees you may pay for maintaining your account(s) with a Custodian. The following list of fees or expenses are what you may pay directly to Custodians or brokers, whether a security is being purchased, sold or held in your account(s) under our management. Fees charged by Custodian can include such items as:

- Brokerage commissions
- Transaction fees
- Exchange fees
- Regulatory fees
- Advisory fees and administrative fees charged by exchange traded funds (ETFs)
- Custodial fees
- Wire-transfer and electronic fund processing fees
- SMA/Third Party Money Manager fee

### **Other Fees and Expenses**

Mutual funds, exchanged traded funds, and annuities all charge internal management fees and other expenses, which are disclosed in a funds’ or annuities’ prospectus or equivalent disclosure document and are directly deducted from the value of such investment vehicles. The IAR utilizes mutual funds and other managed products in clients’ portfolios. The fees and expenses charged by the product providers are separate and distinct from the advisory Fee charged by the IAR.

These fees and expenses are described in each mutual funds’ prospectus. These fees will include a management fee, other fund expenses and a possible distribution fee. No-load or load mutual funds may be used in client portfolios which will determine if there is an initial or deferred sales charge which a client will pay. SPIS does not retain 12b-1 fees or other sales charges and commissions on the accounts of advisory clients. When acting as a broker-dealer, ongoing compensation from Third Party Product Sponsors may be received by us and shared with our financial professionals. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets.

Fees for the programs described in this brochure are negotiable based upon many factors including the type and size of the account and the range of services provided by Advisor. In special circumstances, and with client consent, the fee charged to the client account may be more than the maximum fee indicated in this brochure.

## **Insurance Products**

Some IAR's and other employees of SPIS, and our affiliates, are also licensed to sell insurance through a licensed insurance agency. Insurance-related business is transacted with advisory clients, and these individuals can receive commissions from products sold to you. You are advised that the fees paid to SPIS for investment advisory services are separate and distinct from the commissions earned by any individual for selling clients insurance products.

The receipt of commissions by an affiliated entity or individuals associated with the firm presents a conflict of interest. As fiduciaries we must place our clients' interests ahead of ours. As such, we will only transact insurance business with you when fully disclosed, in the best interest of the client, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. You are under no obligation to use any individual associated with us for insurance products or services. You may use any insurance firm or agent they choose.

## **Cash Sweep Program**

The Cash Sweep Program (the "Sweep Program") takes uninvested cash balances in your account— for which no interest is otherwise earned or paid – and automatically sweeps it into interest-bearing deposit accounts ("Bank Deposit Sweep") or, if available, money market mutual funds ("Money Market Funds") or other sweep arrangements made available to you (collectively "Cash Sweep Vehicles"), until these balances are invested by you or otherwise needed to satisfy obligations arising in connection with your account. SPIS and our affiliates, receive fees and benefits for services provided in connection with the Sweep Program. We may choose to make available the Cash Sweep Vehicles that are more profitable to us than other Money Market Funds or bank deposit accounts. A portion of these fees are paid to your IAR.

## **Free Credit Balance in Margin Accounts**

Free credit balance is the available cash balance in a margin account. The free cash balance is calculated as the total uninvested account value in the margin account after margin requirements, short sale proceeds, received dividends, and purchase transactions awaiting settlement are taken. SPIS receives fees and benefits when clients keep a free credit balance in their margin account. Clients who maintain a higher free credit balance, the higher the fees SPIS will receive. A portion of these fees are paid to your IAR.

## **Other Compensation Considerations:**

### Financial Advisor Loans

Steward Partners Global Advisory, LLC and its affiliates other than SPIS (collectively, "Steward Partners") have entered into a credit and guaranty agreement (the "Credit Facility") with Goldman Sachs Lending Partners LLC, an affiliate of Goldman Sachs Custody Solutions, Inc. (collectively "Goldman Sachs"), to assist Steward Partners in facilitating the recruitment of financial advisors ("FAs") and the acquisition of existing registered investment advisory firms ("RIAs") with an expectation that such business would be transitioned to the Goldman Sachs custody and clearing platform.

This Credit Facility provides Steward Partners an economic benefit provided that recruited FAs or acquired RIAs will transition their business to the Goldman Sachs platform, including the ability for Steward Partners to fund recruitment loans that may be made to IARs (the "Recruitment Loans"). Any Recruitment Loans would be

expected to have a term of up to nine (9) years and would be accompanied by an unrelated bonus agreement which would allow the recipient FA of the loan with monies over a similar period to repay the loan over time (the "Bonus Agreement"). These Recruitment Loans and the Bonus Agreement payments would constitute an additional economic benefit for SPIS IARs. Notwithstanding the Credit Facility, any FAs or RIAs that are recruited or acquired, as the case may be, can choose any of the available custodian and clearing platforms that SPIS has established.

The receipt of Recruitment Loans may present a conflict of interest because recruited or acquired IARs are incentivized to recommend that clients utilize Goldman Sachs for custody and clearing services in order to receive such a Loan, rather than basing such recommendations on a client's particular needs or best interest. The Recruitment Loans incentivize Steward Partners, SPIS and its IARs to recommend that existing clients keep their assets custodied at Goldman Sachs as the Recruitment Loans will have provisions related to the assets remaining at Goldman Sachs.

This may also present a conflict of interest as SPIS's IARs compensation and Bonus Agreement payments are directly related to the amount of revenue generated from advisory fees and will be higher as more client assets remain at, or are directed to, Goldman Sachs including investments that generate higher expenses. Please see the section titled "Additional Expenses Not Included in the Annual Fee" for additional information on these types of investments. Please note that SPIS's IAR's have a fiduciary duty to act in your best interest.

You are not required to utilize Goldman Sachs for its custodial and clearing services. SPIS has systems in place to review investment advisory accounts for suitability and best execution practices over the course of the advisory relationship.

### **Folio Platform Credits**

In connection with its relationship with Folio, SPIS is eligible to receive Platform Credits ("Credits") for the fees it pays to Folio for custody and clearing services. These Credits involve the amount of assets, and any growth of new assets, which are custodied and cleared at Folio. SPIS intends to use these credits to offset its operating costs related to the Folio Investments custody and clearing platform and, more generally, to offset its overall operating costs. As a result of these Credits, SPIS may have a financial incentive to recommend that recruited or acquired IARs recommend to their clients that they custody their assets at Folio, or that existing IARs recommend to their clients that they move the custody of their assets from their current custody and clearing firm to Folio. In order to mitigate this conflict of interest, SPIS does not share these credits with its IARs, who make these recommendations to clients. Please note that SPIS's IAR's have a fiduciary duty to act in your best interest. You are reminded that they are free to use any custody and clearing firm that SPIS has a relationship with and are not required to utilize Folio for its custodial and clearing services.

### **Growth Award Program**

The *Growth Award Program* ("Program") is intended to incentivize IARs who grow their business by providing them with additional equity ownership in our parent company, Steward Partners Management Holdings ("SPMH"). The program incentivizes IAR's who have a certain amount of growth in revenue as determined by the Firm in its sole discretion. An additional award, representing a percentage of the amount awarded to the IARs, may be distributed among the IARs or IAR's Support Staff. This additional award is subject to the Firm's sole discretion and requires management approval. The review period is based on Calendar Year production (January through December). Please contact us for further information on the program.

This Program presents a conflict of interest between the IARs and you as a client since, it creates a financial incentive for the IARs to increase their revenue rather than acting in your best interest. However, as a fiduciary,

SPIS and our IARs have an obligation to always put your interests first. In assessing whether this standard is met, we must determine whether our recommendations and investment strategies are not only appropriate for you but are in your best interests as well. We periodically evaluate the holdings in your account and the advice provided to you to ensure it aligns with your current investment objectives and risk tolerance. In addition, whenever trading may create a conflict of interest, we have an obligation to obtain your informed consent after providing full and fair disclosure of all material facts. While we cannot mitigate the conflict of interest, we believe the disclosures provided herein are sufficient for you to provide us with your informed consent before we engage in trading activity on your behalf.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

SPIS do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Our advisory fee compensation is charged only as disclosed above.

## **Item 7 – Types of Clients**

SPIS provide portfolio management services to individuals, high net worth individuals, charitable institutions, foundations, endowments, small businesses, limited liability companies, trusts and corporations.

SPIS require a minimum new advisory account opening value of \$25,000. Some advisory programs have a higher minimum. Exceptions can be made on a case-by-case basis.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

### ***Fundamental Analysis:***

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

### ***Technical Analysis:***

We analyze past market movements and apply that analysis to the present to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

### ***Asset Allocation:***

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.



A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Advisor may recommend professionally managed investment products like low-cost mutual funds and exchange traded funds (ETFs). As with any investment, past performance is not a guarantee of future results. But costs often do affect investment performance. Advisor attempts to use low-cost products whenever possible, such as index funds and ETFs. Clients should always review and understand an investment's key literature such as a prospectus and annual report.

Advisor constructs portfolios based on different risk and return objectives which are reviewed with each client in order to identify the most appropriate portfolio. Advisor's investment strategy involves analyzing global market conditions to determine how best to allocate portfolios. In addition, Advisor conducts manager research in order to identify the most attractive and suitable securities. We take this approach by working with the client to understand their needs.

Advisor believes in the benefits of diversification through asset allocation. While diversification can help to lower a portfolio's overall volatility (significant price changes), investing always involves a risk of loss that clients should be prepared to bear. Advisor therefore attempts to balance reasonable levels of risk with reasonable levels of return to generate the capital necessary to meet client goals. Individual client risk tolerance and risk capacity are also key factors in the investment planning process.

***Asset allocations are not static:***

Depending on the asset allocation approach, and according to your investment needs, assets within your portfolio may periodically be rebalanced or reallocated as recommended by the investment strategy selected for your account. When market returns have caused asset allocations to extend beyond predetermined limits, your portfolio may be rebalanced back to an original target mix. As our economic outlook evolves, assets within your portfolio may also be reallocated to capture opportunities or manage risk. Investments can go down in value. You can lose some, much or all your invested money. Do not invest money you cannot afford to lose.

## **Item 9 – Disciplinary and Other Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SPIS or the integrity of the Advisor's management. Advisor has no significant information applicable to this Item regarding legal or disciplinary matters since its inception on September 28, 2006, as a Federally Registered Investment Advisor.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Steward Partners Investment Solutions, LLC ("SPIS"), a limited liability company organized under the laws of the State of Delaware, is a registered investment adviser primarily based in Portland, OR. We are principally owned by Steward Partners Management Holdings, LLC. We became registered with the Securities and Exchange Commission (the "SEC") on September 28, 2006, as a Registered Investment Advisor. Registration of an Investment Advisor with the SEC does not imply any level of skill or training.

SPIS is both a registered investment advisor and a registered broker/dealer. SPIS in its combined role as a



Broker/Dealer and a Registered Investment Advisor may provide comprehensive financial planning advice to its clients as well as standard broker/dealer services for traditional brokerage accounts. This advice can include cash management, risk management (insurance planning/sales), investment planning (including investment advice, supervisory services and/or portfolio checkups), retirement planning (for employees and employers), and/or estate planning strategies.

Some investment advisors are licensed as insurance agents for an affiliate of Advisor. The conflicts of interest associated with the above arrangements and how these conflicts are addressed are described in Section 5, above. Please also see Item 15 – Custody, regarding our affiliation with our clearing firms, Wells Fargo Clearing Services, LLC (“FCC”) and Folio Investments, Inc., A Goldman Sachs Company (“Folio”).

Steward Partners Investment Advisory, LLC (“SPIA”), an SEC registered investment advisor, is an affiliate of SPIS and under the same parent company, Steward Partners Holdings, LLC. Steward Partners Investment Solutions, LLC, Steward Partners Investment Advisory, LLC, and Steward Partners Global Advisory, LLC are affiliates and separately operated.

## **Item 11 – Code of Ethics**

SPIS adheres to the code of ethics as promulgated by the Certified Financial Planner Board of Standards. SPIS’s Code of Ethics will be provided upon request to any client or prospective client. In brief, Advisor provides professional services with integrity, objectivity and diligence. SPIS employees maintain the knowledge and skills necessary to provide professional services in a competent manner. Advisor will be fair and reasonable in all professional relationships and disclose any conflicts of interest. Advisor protects the confidentiality of all client information. SPIS employees act in a manner that demonstrates exemplary professional conduct.

SPIS has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons at SPIS must acknowledge the terms of the Code of Ethics annually, or as amended.

SPIS uses the same processes and procedures in developing investment strategies (and other financial services) for clients as for its employees. Thus, employees will often invest in the same or other investment products as recommended to clients. Any potential conflicts of interest will be disclosed to clients.

SPIS anticipates that, in appropriate circumstances and consistent with clients’ investment objectives, SPIS will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which SPIS, its affiliates and/or clients, directly or indirectly, have a position of interest. SPIS employees and persons associated with SPIS are required to follow SPIS’s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of SPIS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SPIS clients.

SPIS clients or prospective clients may request a copy of the firm's Code of Ethics by emailing us at: [info@stewardpartnersis.com](mailto:info@stewardpartnersis.com).

## **Item 12 – Brokerage Practices**

### **Advisor Directed Brokerage**

Except to the extent that the Client directs otherwise, Advisor will employ either FCC or Folio, to maintain custody of clients’ assets and to affect trades for their account. SPIS accounts are opened on FCC’s or Folio’s platform. For our clients maintaining an account in FCC’s or Folio’s custody, neither FCC nor Folio will

charge the client separately for custody services, commissions and management expenses.

SPIS equity and fixed income trades can be executed through FCC or Folio. In the opinion of SPIS, both FCC and Folio provide quality execution services at a competitive cost. It is possible that more favorable execution for some transactions could be provided elsewhere.

### **Aggregation and Block Trading Procedures**

The aggregating or blocking of client transactions allows an advisor to execute transactions in a more timely, equitable and efficient manner and seeks to reduce overall transaction costs to clients. We perform aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a prorated basis. In the event transactions for an advisor, its employees or principals (i.e., proprietary accounts) are aggregated with client transactions, these trades are treated the same as a client with no preferential treatment given.

### **Research and Other Soft Dollar Benefits**

Soft dollar arrangements have developed as a link between the brokerage industry's supply of research and the money management industry's demand for research. Because commission dollars pay for the entire bundle of services, the practice of allocating certain of these dollars to pay for the research component has come to be called "soft dollars." Advisor does not participate in soft dollar arrangements.

### **Referrals**

SPIS does not compensate or otherwise reward non-affiliated brokers for client referrals.

## **Item 13 – Review of Accounts**

Reviews will be conducted with client's at least annually, or as requested by you. Reviews will focus on year-to-date portfolio performance compared to your targets and benchmarks. Reviews may be triggered at any point in time in response to a disclosure that you make to us of a significant change in your circumstances (such as paying off a mortgage, retiring, changing employment, etc.). Account reviews are conducted by your IAR and/or SPIS.

### **Reporting from Custodian**

You will receive the following from Custodian:

- Trade confirmations reflecting all transactions in securities; provided, however, that periodic statements of account activity may be furnished in lieu of transaction by transaction confirmations to the extent and in the manner permitted by Rule 10b-10 under the Exchange Act; and
- A statement of Account activity, holdings, fees, and expenses at least quarterly.

### **Performance Reports**

Advisory accounts will have written performance (or similar) reports available online, at least quarterly. Each performance report will include a reminder to contact SPIS if there are any changes in your Suitability Information and will also include how to notify us.

## **Item 14 – Client Referrals and Other Compensation**

SPIS may receive client referrals from non-employee (outside) consultants, individuals, and/or entities

(Solicitors). In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Item 15 – Custody**

Although SPIS does not act as a qualified custodian. All clients' accounts are held in custody by qualified independent banks or broker/dealers. SPIS currently utilizes our affiliation with our custodian firms, Wells Fargo Clearing Services, LLC (“FCC”) and Folio Investments, Inc., A Goldman Sachs Company (“Folio”).

## **Item 16 – Investment Discretion**

Advisor will receive discretionary trading authority from you at the onset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your account. We are granted a limited power of attorney and are limited by our standard agreement and agreed-upon investment guidelines. The contract allows us to manage substitutions, additions, and deletions to your portfolio. Our authority includes the power to purchase, sell and exchange property, exercise whatever rights are conferred upon the holder of property held in a portfolio, and reinvest any account proceeds. The portfolio guidelines cover restrictions on securities to be bought and sold, portfolio objectives and portfolio asset allocation requirements.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Advisor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Advisor may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about Advisor's financial condition. Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.